

RECORDATION NO. 26089-C FILED

SEP 06 '07 -1 30 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301

WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A LESTER

September 6, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Supplement No. 2 to Security Agreement, dated as of December 31, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Security Agreement previously filed with the Board under Recordation Number 26089.

The names and addresses of the parties to the enclosed document are:

Agent for the
Lenders:

Siemens Financial Services, Inc.
1700 Wood Avenue South
Iselin, New Jersey 08830

Debtor:

The Andersons Rail Operating I, LLC
480 West Dussel Drive
Maumee, Ohio 43537

Mr. Vernon A. Williams
September 6, 2007
Page 2

A description of the railroad equipment covered by the enclosed document is:

74 cars ADDED within the series AEX 004238 – AEX 004443, AEX 006594 – AEX 007417, AEX 010960 – AEX 011023, AEX 013002 – AEX 013018 and AEX 030082 – AEX 030203 as more particularly set forth in the equipment schedule attached to the document.

116 cars SOLD, SCRAPPED or DESTROYED within the series AEX 004006 – AEX 004100, AEX 005143 – AEX 005361, AEX 007205 – AEX 007555, AEX 30074, BAEX 723 – BAEX 729, BWCX 1008 - BWCX 1178, CGR 000160 – CGR 000218, DME 5500 – DME 5558, DME 6032 and HS 025191 – HS 025591

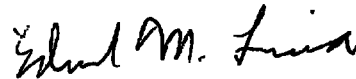
A short summary of the document to appear in the index is:

Supplement No. 2 to Security Agreement.

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Edward M. Luria

RWA/anm
Enclosures

SEP 06 '07 -1 30 PM

SUPPLEMENT NO. 2
TO
SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

SUPPLEMENT No. 2 (this "Supplement") dated as of Dec. 31, 2006 to the Security Agreement, dated as of December 29, 2005 (as amended, supplemented or modified from time to time, the "Security Agreement"), made by THE ANDERSONS RAIL OPERATING I LLC in favor of SIEMENS FINANCIAL SERVICES, INC., as Agent (in such capacity, the "Agent") and the several banks and other financial institutions or entities (the "Lenders") from time to time parties to the Term Loan Agreement, dated as of December 29, 2005 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among the Borrower, the Lenders and the Agent.

WHEREAS, the Security Agreement was recorded on December 30, 2005 with the Surface Transportation Board, Recordation No. 26089 , and on December 30, 2005 with the Registrar General of Canada.

WHEREAS, the Supplement No. 1 was recorded on March 22, 2006 with the Surface Transportation Board, Recordation No. 26089-B, and on March 23, 2006 with the Registrar General of Canada.

1. Definitions. Except as otherwise defined in this Supplement, terms defined in the Security Agreement or by reference therein are used herein as defined therein.

2. Supplements. The Security Agreement shall be amended and supplemented as follows:

(a) Schedule A to the Security Agreement shall be amended and supplemented by Schedule A-2 hereto to include or delete the Equipment and the Equipment Leases (relating to the Equipment but to and only to the extent relating to the Equipment) more fully described on Schedule A-2 hereto and Schedule A-2 hereto shall be deemed to be an addition to and part of Schedule A to the Security Agreement. With regard to any remarked or additional Equipment or Leases, the Borrower hereby assigns, mortgages, pledges, hypothecates, transfers and sets over to the Secured Party and grants the Secured Party a first priority lien on and security interest in all of the Borrower's right, title and interest in and to such Equipment and Equipment Leases (relating to the Equipment but to and only to the extent relating to the Equipment) and agrees that such Equipment and Equipment Leases shall constitute Collateral subject to the grant of security by the Borrower set forth in Section 2.1 of the Security Agreement. Each reference to Schedule A in the Security Agreement, and each reference to Schedule A to the Security Agreement in any other Loan Documents, shall be deemed to be a reference to Schedule A as amended and supplemented by Schedule A-2 hereto. In connection herewith, the Borrower represents that it delivered to the Agent a supplemental schedule to Schedule A to the Loan Agreement, identifying the names of the Equipment Lessees under the Equipment Leases which are referenced on Schedule A-2 hereto. With regard to any Equipment which has been removed from the Security Agreement, or been destroyed or scrapped, Secured Party hereby releases its lien on such equipment.

(b) It is hereby agreed that each reference to "this Security Agreement" in the Security Agreement, "hereunder", "hereof" or words of like import referring to the Security

Agreement, and each reference to the Security Agreement in each of the other Loan Documents, shall be deemed to be a reference to the Security Agreement as amended and supplemented by this Supplement.

3. Ratification. Except as expressly amended and supplemented hereby, the Security Agreement is and shall remain in full force and effect and is hereby ratified, approved and confirmed in all respects, and no amendment or supplement in respect of any term or condition of the Security Agreement shall be deemed to be an amendment or supplement in respect of any other term or condition contained in the Security Agreement or any other Loan Document.

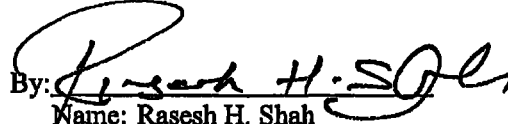
4. Counterparts. This Supplement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Supplement by signing any such counterpart.

5. Governing Law; Binding Effect. THIS SUPPLEMENT, INCLUDING THE VALIDITY THEREOF, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW JERSEY WITHOUT REGARD TO ITS OTHER CONFLICT OF LAWS PRINCIPLES. This Supplement shall be binding on the undersigned and its successors and permitted assigns and shall inure to the benefit of each of the Agent, the Lenders and the Borrower and their respective successors and assigns.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Supplement in one or more counterparts as of the date first set forth above.

THE ANDERSONS RAIL OPERATING I LLC

By: 

Name: Rasesh H. Shah

Title: President

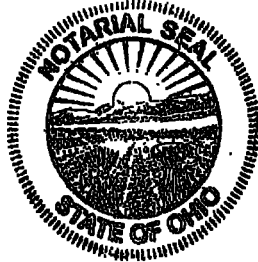
STATE OF OHIO)

COUNTY OF LUCAS) SS:

Before me, a Notary Public, in and for said county and state, personally appeared Rasesh H. Shah, President of The Andersons Rail Operating I, LLC, a Delaware limited liability company, who acknowledged that he being thereunto duly authorized, did sign the foregoing instrument on behalf of said limited liability company and by authority of its Managers on behalf of the limited liability company and that the same is the free act and deed of said officer and of said limited liability company.

In Testimony Whereof, I have hereunto set my hand and official seal at Maumee, Ohio this 5th day of Sept., 2007.


Notary Public
My Commission Expires: 02/01/2010



JUDY A. BALDWIN
Notary Public, State of Ohio
Commission Expires 02/01/2010

[Signature Page to Supplement No. 2]

SIEMENS FINANCIAL SERVICES, INC.,
as Agent

By: 
Name:
Title:

STATE OF New Jersey)
) ss:
COUNTY OF Hudson)

Before me, a Notary Public, in and for said county and state, personally appeared Joseph Alvarez, the Vice President of Siemens Financial Services, Inc., a Delaware corporation, who acknowledged that he being thereunto duly authorized, did sign the foregoing instrument on behalf of said corporation and by authority of its Board of Directors on behalf of the corporation and that the same is the free act and deed of said officer and of said corporation.

In Testimony Whereof, I have hereunto set my hand and official seal this 5th day of Sept., 2007.




Notary Public
My Commission Expires: 9.13.2010

[Signature Page to Supplement No. 2]

Schedule A-2
2006 - 2nd thru 4th Quarter

New Leases

Industrial Waste Group, LLC T00991

1. Full Service Lease Agreement made as of October 3, 2006 between The Andersons Rail Operating I LLC and Industrial Waste Group, LLC.
2. Full Service Lease Agreement Rider Deal #T00991 made as of October 3, 2006 between The Andersons Rail Operating I LLC and Industrial Waste Group, LLC.

Central States Enterprises T00992

1. Full Service Lease Agreement made effective as of June 1, 2006 between The Andersons Rail Operating I LLC ("Lessor") and Central States Enterprises, Inc. ("Lessee").
2. Full Service Lease Agreement Rider Deal #T00992 made effective as of June 1, 2006 between The Andersons Rail Operating I LLC ("Lessor") and Central States Enterprises, Inc. ("Lessee").

Consolidated Grain & Barge T00975

1. Full Service Lease Agreement made effective as of December 1, 2006 between The Andersons Rail Operating I LLC ("Lessor") and Consolidated Grain and Barge Co. ("Lessee").
2. Full Service Lease Agreement Rider #T00975 made effective as of December 1, 2006 between The Andersons Rail Operating I LLC ("Lessor") and Consolidated Grain and Barge Co. ("Lessee").

Equipment List to New Leases

T00991		T00992		T00975	
1	AEX 004238	1	AEX 010960	1	AEX 006594
2	AEX 004430	2	AEX 010961	2	AEX 006617
3	AEX 004432	3	AEX 010962	3	AEX 006651
4	AEX 004433	4	AEX 010963	4	AEX 006664
5	AEX 004434	5	AEX 011007	5	AEX 006685
6	AEX 004435	6	AEX 011015	14	AEX 007068
7	AEX 004436	7	AEX 011017	15	AEX 007071
8	AEX 004437	8	AEX 011018	16	AEX 007075
9	AEX 004440	9	AEX 011020	17	AEX 007081
10	AEX 004441	10	AEX 011023	18	AEX 007091
11	AEX 004443			19	AEX 007097
12	AEX 030082			20	AEX 007101
13	AEX 030130			21	AEX 007102
14	AEX 030203			22	AEX 007103
				23	AEX 007123
				24	AEX 007135
				25	AEX 007144
				26	AEX 007150
				27	AEX 007172
				28	AEX 007212
				29	AEX 007217
				30	AEX 007222
				31	AEX 007236
				32	AEX 007239
				33	AEX 007241
				34	AEX 007242
				35	AEX 007251
				36	AEX 007257
				37	AEX 007263
				38	AEX 007269
				39	AEX 007273
				40	AEX 007307
				41	AEX 007312
				42	AEX 007314
				43	AEX 007340
				44	AEX 007356
				45	AEX 007358
				46	AEX 007386
				47	AEX 007389
				48	AEX 007403
				49	AEX 007416
				50	AEX 007417
				51	AEX 013002
				52	AEX 013003
				53	AEX 013005

54	AEX 013009
55	AEX 013010
56	AEX 013012
57	AEX 013015
58	AEX 013018

Restencils

NONE

Sold, Scrapped, Destroyed Cars

Deal	Lessee	Stencil
R00905	Andersons	BWCX001178
R00905	Andersons	BWCX001167
R00331	Blommer Chocolate Co	AEX 005143
R00093	Blommer Chocolate Co	AEX 007424
R00093	Blommer Chocolate Co	AEX 007301
R00093	Blommer Chocolate Co	AEX 007216
R00093	Blommer Chocolate Co	AEX 007205
R00093	Blommer Chocolate Co	AEX 007189
R00093	Blommer Chocolate Co	AEX 007085
R00093	Blommer Chocolate Co	AEX 007041
R00269	Bunge North America Inc.	AEX 007555
R00269	Bunge North America Inc.	AEX 005361
R00269	Bunge North America Inc.	AEX 005352
R00750	Burlington Northern Santa Fe Corp	HS 025591
R00750	Burlington Northern Santa Fe Corp	HS 025430
R00750	Burlington Northern Santa Fe Corp	HS 025191
R00667	CG Railway Inc.	CGR 000218
R00099	CG Railway Inc.	CGR 000160
R00252	OmniSource Corporation	AEX 004100
R00252	OmniSource Corporation	AEX 004099
R00252	OmniSource Corporation	AEX 004098
R00252	OmniSource Corporation	AEX 004095
R00252	OmniSource Corporation	AEX 004092
R00252	OmniSource Corporation	AEX 004082
R00252	OmniSource Corporation	AEX 004068
R00252	OmniSource Corporation	AEX 004067
R00252	OmniSource Corporation	AEX 004060
R00252	OmniSource Corporation	AEX 004057
R00252	OmniSource Corporation	AEX 004055
R00252	OmniSource Corporation	AEX 004054
R00252	OmniSource Corporation	AEX 004053
R00252	OmniSource Corporation	AEX 004052
R00252	OmniSource Corporation	AEX 004051
R00252	OmniSource Corporation	AEX 004050
R00252	OmniSource Corporation	AEX 004048
R00252	OmniSource Corporation	AEX 004047
R00252	OmniSource Corporation	AEX 004044
R00252	OmniSource Corporation	AEX 004040
R00252	OmniSource Corporation	AEX 004036
R00252	OmniSource Corporation	AEX 004029

R00252	OmniSource Corporation	AEX 004026
R00252	OmniSource Corporation	AEX 004023
R00252	OmniSource Corporation	AEX 004017
R00252	OmniSource Corporation	AEX 004016
R00252	OmniSource Corporation	AEX 004015
R00252	OmniSource Corporation	AEX 004014
R00252	OmniSource Corporation	AEX 004013
R00252	OmniSource Corporation	AEX 004011
R00252	OmniSource Corporation	AEX 004010
R00252	OmniSource Corporation	AEX 004009
R00252	OmniSource Corporation	AEX 004006
R00062	Dakota Minnesota & Eastern RR	DME 005556

BAEX	800	N/A	N/A
DME	5500	T00062	DME
DME	5501	T00062	DME
DME	5502	T00062	DME
DME	5503	T00062	DME
DME	5504	T00062	DME
DME	5505	T00062	DME
DME	5506	T00062	DME
DME	5507	T00062	DME
DME	5508	T00062	DME
DME	5509	T00062	DME
DME	5510	T00062	DME
DME	5511	T00062	DME
DME	5512	T00062	DME
DME	5513	T00062	DME
DME	5514	T00062	DME
DME	5515	T00062	DME
DME	5516	T00062	DME
DME	5517	T00062	DME
DME	5519	T00062	DME
DME	5520	T00062	DME
DME	5521	T00062	DME
DME	5522	T00062	DME
DME	5523	T00062	DME
DME	5524	T00062	DME
DME	5525	T00062	DME
DME	5526	T00062	DME
DME	5527	T00062	DME
DME	5528	T00062	DME
DME	5529	T00062	DME
DME	5530	T00062	DME
DME	5531	T00062	DME
DME	5532	T00062	DME
DME	5533	T00062	DME
DME	5534	T00062	DME
DME	5535	T00062	DME


DME	5536	T00062	DME
DME	5537	T00062	DME
DME	5538	T00062	DME
DME	5539	T00062	DME
DME	5541	T00062	DME
DME	5542	T00062	DME
DME	5543	T00062	DME
DME	5544	T00062	DME
DME	5545	T00062	DME
DME	5546	T00062	DME
DME	5547	T00062	DME
DME	5549	T00062	DME
DME	5550	T00062	DME
DME	5551	T00062	DME
DME	5552	T00062	DME
DME	5553	T00062	DME
DME	5554	T00062	DME
DME	5555	T00062	DME
DME	5557	T00062	DME
DME	5558	T00062	DME

BAEX	723	T00856	Lansing Grain
BAEX	724	T00856	Lansing Grain
BAEX	729	T00856	Lansing Grain
BAEX	725	T00856	Lansing Grain
BWCX	1008	T00787	GE Plastics
BWCX	1149	T00787	GE Plastics
AEX	30074	T00345	Strategic Materials
DME	6032	T00913	DME
DME	5556	R00062	DME

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 9/6/07



Robert W. Alvord